

Bill 42 (2017)
Early Testimony

TO: City Council Chair Ron Menor and Honorable Members
FROM: Frank Genadio
SUBJECTS: Bill 42, Relating to Funding for Transit and
Resolution 18-38, Establishing a Permitted Interaction Group
DATE: February 28, 2018

The Financial Accountability for Rail Mass Transit Association (the Association) opposes both Bill 42 and Resolution 18-38. Bill 42 should not be considered until the audit called for in Hawaii State Senate Bill 4 (2017) is completed. Passage now would mean that this council lacks interest in determining financial accountability. Inclusion of the single word "city" in Ordinance 07-001 opens a "door of opportunity" for the administration of the City and County of Honolulu and this council to place new and unnecessary financial burdens on island taxpayers. New rail funding legislation passed just last year added about \$3.4 billion in new taxes (through 2030) to the \$6.8 billion already included in the collections plan. At this time there is no justification for adding new collections to the \$9.2 billion "budget" deemed sufficient for completing the project. The members of the council should instead be examining viable alternatives for saving money rather than looking for even more funds. The Association recommends that no new funding be considered until the comprehensive audit directed by the Hawaii State Legislature is completed and its findings released to the public.

The Association also believes that formation of a permitted interaction group is premature and should not be established until the Federal Transit Administration has completed its review of the city's financial recovery plan, sees the results of the comprehensive audit, and determines whether or not to release the remainder of obligated federal funds for rail. The Honolulu Star-Advertiser's front-page story on February 25th, "Now leaving Ala Moana Center," shows nothing but uncertainty and poor decision-making by not just the Honolulu Authority for Rapid Transportation (HART) but also by the city's Department of Planning and Permitting. The best course of action at this time should be a pause in the rail project and a full examination of its future direction.

Rather than add to the problems created by past mismanagement of the rail project by HART as well as its own poor decisions, the Honolulu City Council should show a renewed fiscal and managerial responsibility to the residents of O'ahu by deferring further action on both Bill 42 and Resolution 18-38.

Respectfully submitted on behalf of the Financial Accountability for Rail Mass Transit Association whose President is Roy Nakamura, with steering committee members Elaine Kam, Rod Tam, Charles Carole, Frank Genadio, and Calvin Hulihe'e.

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CR-175 (2017) BILL 42 2017 OPPOSE
RELATING TO FUNDING FOR TRANSIT.
REASON

- ① THE FUNDING HAVE GONE OUT OF CONTROL.
- ② HOW WAS EVERY DOLLAR SPENT FROM THE BEGINNING OF THE RAIL PROJECT. CAN WE HAVE THE AUDIT.
- ③ APRIL 2015 THE MAYOR GOT 910 MILLION FROM WAYS AND MEANS COMMITTEE, HOW WAS EVERY DOLLAR SPENT. THERE WERE NO AUDIT PRESENTED.
- ④ HOW MUCH PAY OFF MONEY TO ALL THE PEOPLES INVOLVED IN THIS RAIL PROJECT FROM THE BEGINNING.
- ⑤ MY STATEMENT IS WRITTEN IN STAR ADVERTISER 2-6-16. HART HAS FAILED REPEATEDLY TO PROVIDE FINANCIAL ACCOUNTABILITY AUDIT. THE MOST IMPORTANT THING. WE'VE GOT TO DO IS STOP THIS PROJECT BECAUSE THIS PROJECT IS GOING TO RIP EVERYBODY OFF" OUR PROPERTY TAX, BUSINESS TAXES, EXCISE TAXES YOU NAME EM"
- ⑥ WE WANT HART AND THE MAYOR TO COME CLEAN ON THE FINANCIAL ACCOUNTABILITY AUDIT.

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ROY NAKAMURA
Roy Nakamura